

MT LEGISLATIVE HISTORY

Chapter 170 19 73

Bill H 308 S _____

Original bill & hist. ____C

H. Committee on Bus + Ind.

S. Committee on Bus + Ind

Hearing Date(s) 1/23 ____C

Hearing Date(s) 2/16 ____C

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Date Out 2/2 ____C

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Did this bill originate in an interim committee? ____Yes ____No

Committee _____

Report _____

BUSINESS AND INDUSTRY COMMITTEE

43rd Legislative Assembly

Bill No.	Subject Matter	Date In	Hearing Date	Comments	Date Out	Committee Action	Final Action
HB 278	money deposited in Mont. banks may be considered as operating capital... determine rate base	1-23-73	2-2-73		2-5-73	DO NOT PASS	
HB 290	gasoline dealers shall have octane ratings on pumps.	1-23-72	1-26-73		2-2-73	DO NOT PASS	
HB 272	relating to regulation of certain establishments	1-23-73	1-31-73		2-2-73	DO PASS	
HB 276	disallowing consideration of advertising expenses & contributions in setting rates chg. by public utilities.	1-23-73	2-2-73		2-5-73	AS AMENDED DO PASS	
HB 83	definition of barbering to include styling, arranging and coloring of hair	1-23-73	1-24-73		2-5-73	AS AMENDED DO PASS	
HB 308	liens for labor & material furnished for use of oil or gas wells....	1-23-73	2-2-73		2-2-73	DO PASS	

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HB 366...Rep. Regan moved adoption of amendment, attached. The motion passed unanimously. Rep. Driscoll moved HB 366 as amended DO PASS. Rep. Rolfe made a substitute motion to amend HB 366 by striking the subsection 2. The motion failed with Rep. Lockrem, Rolfe, Selstad, and Kessner voting YES. Rep. Driscoll's motion passed with Rep. Lockrem, Rolfe, Selstad, Kessner, and Mercer voting NO.

HB 367...Rep. Lien moved HB 367 DO PASS. The motion passed with Rep. Selstad voting NO.

SB 75...Rep. Lien moved SB 75 BE CONCURRED IN. The motion passed with Rep. Quillici and Regan voting NO.

The meeting recessed until 10:30. All members were present with the exception of Rep. Lien.

The following bills were before the committee for consideration:

SB 148...Senator Carl, sponsor, presented the bill to the committee. There were no opponents.

SB 170...Senator Bertsche, sponsor, explained this bill. There were no opponents.

HB 308...Rep. Cox presented the bill to the committee. Mr. Raymond Peete testified as a proponent. His statement is attached. There were no opponents.

HB 278...Rep. Towe, sponsor, presented this bill to the committee. Opponents to this bill were Mr. Bob Carette, Mr. Lester Loble, and Mr. Gene Phillips.

HB 276...Rep. Towe, sponsor, presented this bill to the committee. He proposed an amendment, attached, to the bill. Opponents were Mr. John McDonald, Mr. Bob Carette, Mr. Lester Loble, and Mr. Gene Phillips.

HB 353...Rep. Towe, sponsor, explained this bill. Opponents were Mr. William O'Leary and Mr. Bob Carette.

HB 394... Rep. Laas, sponsor, presented this bill to the committee. Other proponents were Mr. Wesley Wertz, Mr. Bob Burke, Mr. Bruce Thompson, Mr. A. Riegel, and Mr. Les Alkee. There were no opponents.

The following actions were taken:

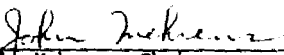
SB 148...Rep. Regan moved SB 148 BE CONCURRED IN. The motion passed unanimously

SB 170...Rep. Harper moved SB 170 BE CONCURRED IN. The motion passed unanimously.

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HB 308...Rep. Selstad moved HB 308 DO PASS. The motion passed unanimously.

There being no further business, the meeting adjourned.



John Mehrens, Chairman

jb

RE: House Bill No. 308

Purpose of House Bill 308: The sole purpose of this Bill is to eliminate any priorities between liens for labor and materials furnished for use on the same leasehold or same pipeline for oil and gas purposes.

History of Title 45 LIENS, Chapter 10, R.C.M., 1947, and as amended. Said Chapter 10 which encompasses the "Laborers' and Materialmen's Liens on Oil and Gas Wells and Pipelines" for the most part was enacted in 1957. Initially, these lien statutes did not provide for any priorities between liens of a like nature or filed on the same leasehold or same pipeline, the cost of which remained unpaid. In 1963, the statutes within Chapter 10 which provided for no such priority, namely, Sections 45-1003 and 45-1004 through 45-1006, inclusive, were amended or repealed. The affect of the amendment and the repealing was to provide that any such liens filed within thirty (30) days after the filing of the first lien on the same leasehold or same pipeline, shall entitle the holders thereof to share equally pro-rata, according to the amounts of the respective liens, in the proceeds arising from the sale of such leasehold or pipeline upon the foreclosure of such liens. If, after the expiration of thirty (30) days, other liens are filed against such premises, then all liens filed within sixty (60) days after the filing of such subsequent lien are liens of the second class, and shall share pro-rata in any proceeds arising from the sale of said leasehold or pipeline which may remain after liens of the first class have been paid. (See Section 45-504, R.C.M., 1947.)

House Bill 308 would repeal that portion of Section 45-1003 amended in 1963, and reenact Sections 45-1004 through 45-1006, inclusive, repealed in 1963.

Conclusion: It is not the purpose of House Bill 308 to change any Montana lien statutes other than those affecting the same leasehold and same pipeline for oil and gas purposes. In accordance with Chapter 10 (Oil and Gas Well and Pipeline Liens), the lien claimant has six (6) months from the date in which labor or materials have been furnished to file his lien. This six (6) month period would appear then to be in conflict with the statutory requirement that a lien claimant would be required to file his lien within thirty (30) days of the filing of another lien claimant's lien on the same leasehold or pipeline in order to be of equal priority.

As long as lien claimants conform with the requirements of the statute, there should be no priority between liens of a like nature on the same leasehold or same pipeline. It should be understood that the liens which are the subject of House Bill 308 have no priority over other liens, encumbrances, or mortgages which are filed or recorded prior to the date of furnishing of the first item of materials or services or the date of performance of the first labor by the new lien claimant.

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DATE OF COMM. GRANT TO REPORTED C. OF COMMITTEE

DATE OF COMM.	DATE OF COMM.	DATE OF COMM.	GRANT TO	REPORTED C. OF COMMITTEE
APR 29	1-25	2-2	2-10	Re Comm. on
NOV 40	1-25	2-7		" " "
NOV 54	2-5	2-13		Re Comm. on
NOV 59	1-16	2-1	2-9	Re Comm. on
NOV 84	1-20	1-29	2-14	Re Comm. on
NOV 95	1-25	2-2		Re Comm. on
NOV 111	2-3	2-12	2-20	Re Comm. on
NOV 134	1-27	2-5	2-13	Re Comm. on
NOV 308	2-8	2-16		Re Comm. on
NOV 10				Re Comm. on 2/1/43
NOV 367	2-9	2-17		Re Comm. on
NOV 83	2-12	2-20		Re Comm. on
204	2-10	2-19		Re Comm. on
251	2-10	2-19		Re Comm. on
252	2-10	2-19		Re Comm. on
270				Re Comm. on
272	2-10	2-19		Re Comm. on
308				Re Comm. on
JAN 218	1-19			Re Comm. on 1/19
JAN 222	1-19			" " 1/24
NOV 85	1-20	1-29		Re Comm. on
NOV 278	2-10	2-20		Re Comm. on
121		2-27		Re Comm. on
122				Re Comm. on

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February 16, 1973

A meeting of the Business and Industry was called to order by the Chairman, Percy DeWolfe, Room 412, at 11:00 A.M. February 16th. Senator Rosell was excused. All members were present except for three members.

House Bill 134 was discussed at length and a vote taken that the BILL BE CONCURRED IN. Senator Bertsche was nominated to Carry this bill on the floor of the Senate. No witnesses appeared in opposition and James E. Snow representing Piper, Jaffray and Hobwood appeared in support of the bill.

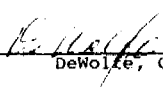
House Bill No. 367 was discussed. Ann K. Regan, House of Rep. District 8, appeared in support of the bill. No opposition to the bill a motion was made by Senator Aber and seconded by Keenan that the bill be CONCURRED IN. Motion carried.

House Bill No. 272 was discussed with Vern Sloulin from the Department of Health, Bill Harvrecht, Dept. of Health, Bill Bentila, State Fire Marshall and Rod Gudgel from Montana Nursing Home Association giving their support for the bill. No opposition to the bill. A motion was made by Broeder and seconded by Shea that the bill BE CONCURRED IN. Motion carried. Broeder will carry this bill to the floor.

A motion was made by Senator Hazelbaker and seconded by Keenan that House Bill No. 308 BE CONCURRED IN. Motion Carried.

House Joint Resolution No. 7 was discussed and a motion was made by Senator Hazelbaker and seconded by Broeder that the Bill BE NOT CONCURRED IN. Motion carried.

There being no further business before the committee a motion was made and seconded that the meeting adjourn.


DeWolfe, Chairman

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provided that the course of instruction is approved by the trustees and supervised by the district.

(6) The schedules provided in this section shall not be altered by any authority other than the legislative assembly of the state of Montana, except as provided in subsection (3)."

Approved: March 6, 1973.

CHAPTER NO. 170

An Act Amending Section 45-1003, R.C.M. 1947, Relating to Liens For Labor and Material Furnished For Use of Oil or Gas Wells or Pipelines By Deleting Any Reference to Perfecting, Priority, and Method of Filing Such Liens; Providing How Such Liens Are Perfected; Providing for the Date Such Liens Shall Arise; Providing for the Preference of Such Lien Over Certain Other Liens; Providing That All Liens Affixed By Virtue of Chapter 10 of Title 45, R.C.M. 1947, Upon the Same Property Shall be of Equal Standing; and Providing for the Priority of Such Lien Over Mortgage or Other Liens.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. Section 45-1003, R.C.M. 1947, is amended to read as follows:

"45-1003. **Manner of enforcing liens—duty of county clerks.** The liens herein created shall be enforced in the same manner and the duty of county clerks with respect to the filing and abstracting of liens shall be the same as now provided by the laws of Montana for materialmen's and mechanic's liens."

Section 2. There is a new section to be numbered 45-1004.1, R.C.M. 1947, which reads as follows:

45-1004.1. **How lien perfected.** Every person, corporation or copartnership claiming a lien under this chapter shall file with the county clerk of the county in which such land, leasehold, or pipeline, or some part thereof, is situated, a statement verified by affidavit setting forth the amount claimed and the items thereof, the dates on which labor was performed or material or services furnished, the name of the owner of the leasehold or pipeline, if known, the name of the claimant and his mailing address, a description of the leasehold or pipeline, and if the claimant be a claimant under section 45-1002, the name of the person for whom the labor was immediately performed or the material or services

were immediately furnished. Such statement must be filed within six (6) months after the date upon which said material or services were last furnished or labor last performed under contract as aforementioned.

Section 3. There is a new section to be numbered 45-1004.2, R.C.M. 1947, which reads as follows:

45-1004.2. **Date lien arises—preference over other liens—parity of liens.** The lien provided for in this chapter arises on the date of the furnishing of the first item of material or services or the date of performance of the first labor. Upon compliance with the provisions of section 45-1004.1, such lien shall be preferred to all other titles, charges, liens or encumbrances which may attach to or upon any of the property upon which a lien is given by this chapter subsequent to the date the lien herein provided for arises. All liens affixed by virtue of this chapter upon the same property shall be of equal standing.

Section 4. There is a new section to be numbered 45-1004.3, R.C.M. 1947, which reads as follows:

45-1004.3. **Priority of lien over mortgage or other liens.** The lien herein provided for shall have no priority over other liens, encumbrances or mortgages which are filed or recorded prior to the date of the furnishing of the first item of material or services or the date of performance of the first labor.

Approved: March 6, 1973.

CHAPTER NO. 171

An Act to Amend Section 23-3101, R.C.M. 1947, Relating to Election Precincts, By Providing That County Commissioners May Change Precinct Boundaries in the Years in Which General Biennial Elections Are Held, When Such Changes Are Required to Conform to a Reapportionment Plan.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. Section 23-3101, R.C.M. 1947, is amended to read as follows:

"23-3101. **Establishment of election precincts—change of boundaries—certification of changes—designation—map—boundary to conform to wards or school districts.** (1) The territorial unit for elections is the election precinct.